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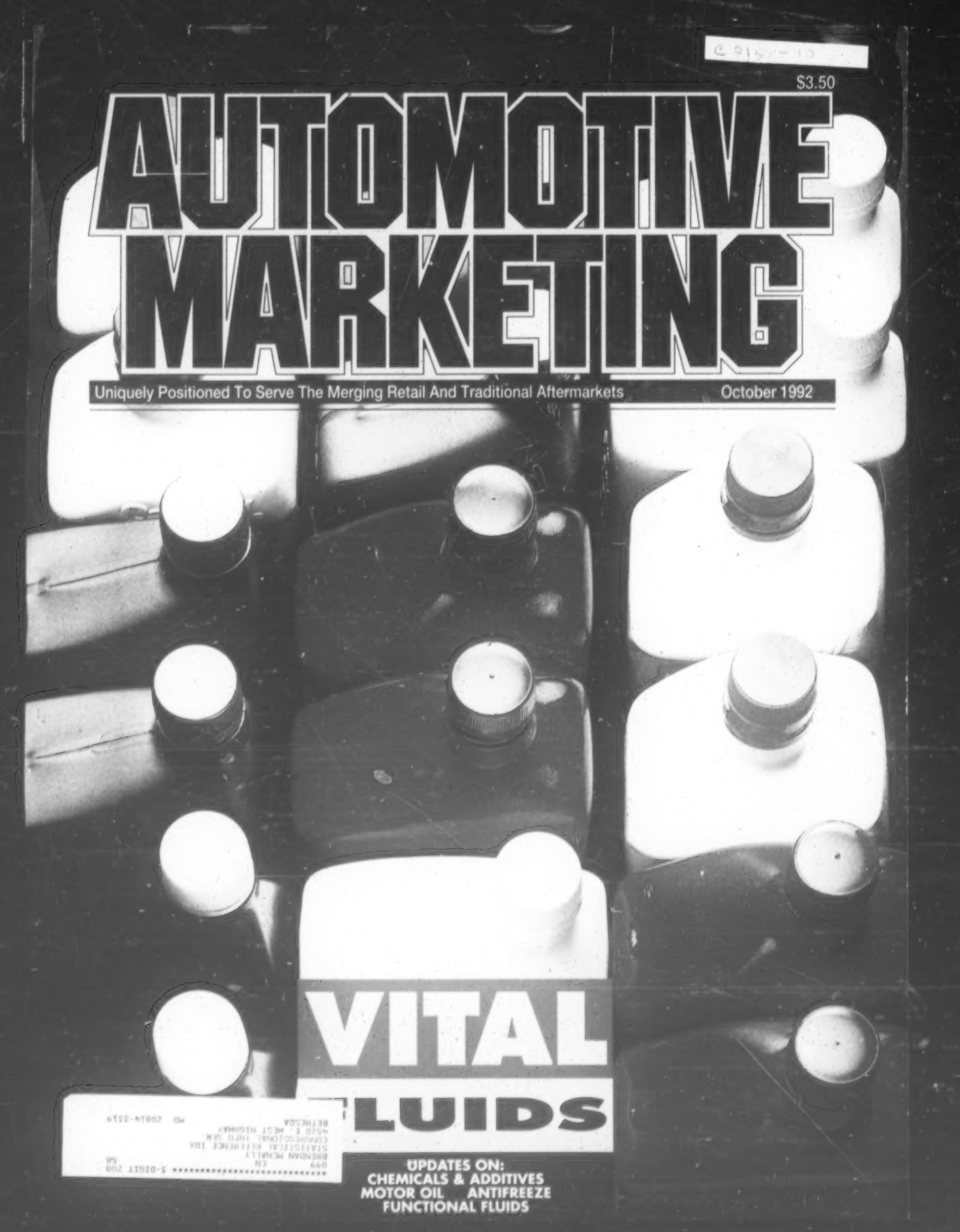

VITAL FLUIDS

UPDATES ON:
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MOTOR OIL ANTIFREEZE
FUNCTIONAL FLUIDS

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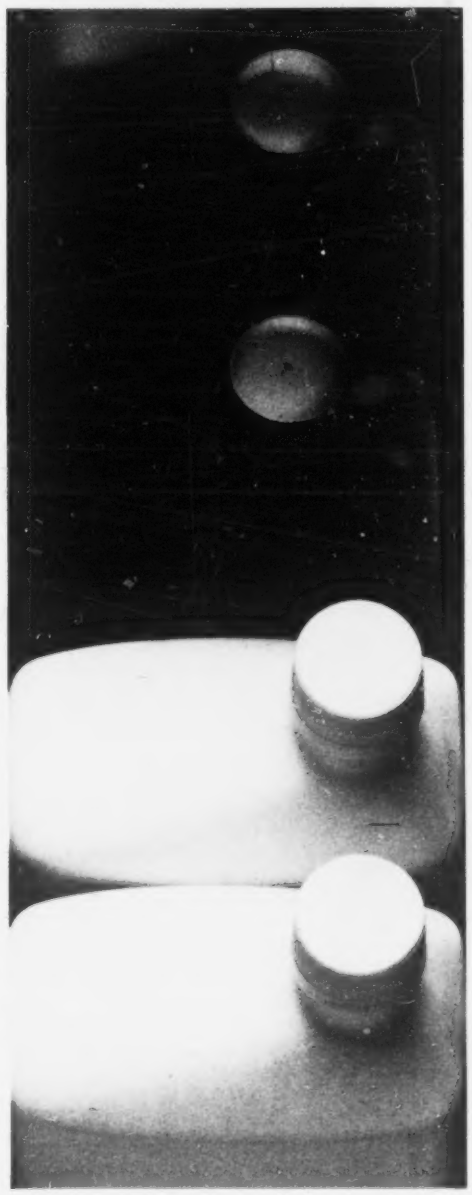

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JESSE H. NEAL AWARD-WINNING PUBLICATION FIVE OUT OF EIGHT YEARS

BPA

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MARKET LINE

Comparing The WD To The WD Owning Stores. Who Knows Where The Money Goes? Here's Where.

As *Automotive Marketing* was one of the first to point out, back in 1987, the trend among Warehouse Distributors (WDs) is to buy and operate jobber stores. The latest Automotive Warehouse Distributors Association (AWDA) directory lists 230 WDs. Of these, 113 own at least one store. The total count of stores is 2,131. Add to these several WDs that did not list their stores and we can list some 2,500 WD-owned stores.

With the importance of this trend to the market, a presentation by CPA John Wegmann of Wegmann-Dazet, New Orleans, speaking at the Frost & Sullivan conference, was spot on for timeliness. Wegmann presented a financial analysis from AWDA data comparing WDs without stores and WDs with owned jobber stores (which we'll call WD/jobbers) in what he called an "initial attempt to measure an apparent new trend."

According to Wegmann, the strategy of WDs buying jobbers works in terms of sales but not in terms of profits.

"In at least one respect," Wegmann said, "the strategy of owning stores appears to be successful: Sales volume. While the average WD reported a modest increase of only 1% of sales in 1991 over 1990, the average WD/jobber reported a sales increase of over 6%. One fourth of the participants reported a sales increase in excess of 10% over the previous year."

In addition to higher sales, the WD/jobber sees about an 11% decline in the cost of sales. However, Wegmann notes, this does not put 11% more money in the WD/jobbers pocket: New expenses eat up the gains.

"The distribution of the sales dollar changes dramatically for WDs with some controlled distribution," Wegmann said. "The increase in the gross profit margin (11%) is totally absorbed by payroll increases (almost 7%) and other expenses unique to stores (rent-utilities-insurance costs increase about 5%). As a result, there is a lower pretax income (2.78% for the WD/jobber versus 3.34% for the WD)."

One major reason that WDs are buying stores is that jobbers are not doing well in the market. The number of jobber stores has been declining for some time now and many feel the days of the independent jobber, even in rural areas, are numbered. This was borne out by Wegmann's analysis.

According to Automotive Service Industry Association (ASIA) statistics, jobber pretax income was 1.8% in 1990 and 2% in 1989 (1991 figures are not available yet). And, while jobber income declines, jobber costs are up, chiefly for labor. Delivery and warehouse costs have risen a full percentage point while gross margins have stayed about the same.

"Jobbers are in a squeeze," Wegmann said. "Labor costs are up, not in administration, but in customer service. Payroll costs tend to be a surprise for WDs owning jobber stores. The higher payroll costs are required to meet the service needs and extended hours of the trade, professional installers and DIYers. Consequently, productivity (sales per employee) is almost halved."

Sales per employee were $219,994 for WDs and just $116,711 for WD/jobbers.

Wegmann suggested that customers be reminded of what services the jobber provides. "The jobber is selling price *and* service. The customer is really buying availability, credit, warranties, returns, delivery, and many other services. Someone earlier said jobber salesmen should get out and call on jobber customers. What a radical notion that is."

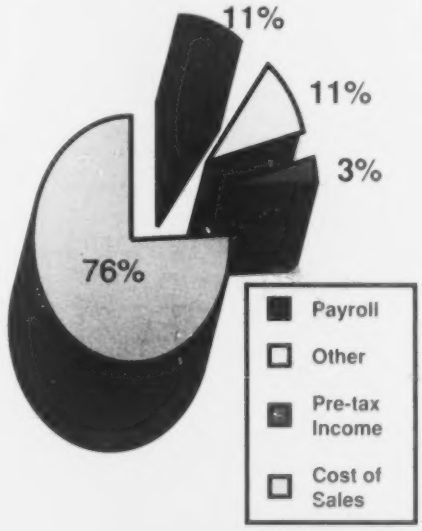
Charts for the traditional aftermarket as a whole showed that the average WD sales volume rose just 1% in 1991 compared to more than 3% in 1990. "But after adjusting for price changes of 2.5%," Wegmann noted, "this results in a second consecutive year of unit sales decline (1990 was about 0.5% down). With unit sales down, it's hard to increase sales volume unless you steal business."

In the final analysis, the WD/jobber's pretax income is 1.38% percent lower than the average WD pretax income of 2.77%. In addition, WD/jobbers average a full inventory turn less than WDs (2.18 versus 3.18).

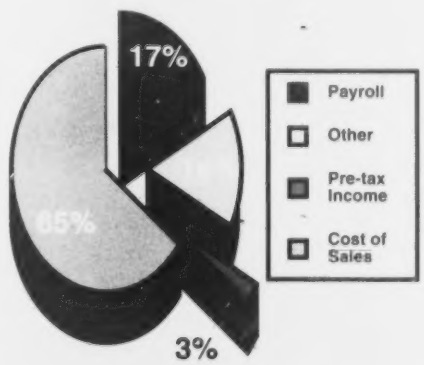
However, while all the financial figures seem negative, Wegmann stressed that the study was a first time study and based on only 18 WDs owning 371 stores.

"So what's better? A higher rate of profitability on lower sales volume, or a lower rate of profit on a higher level of sales? How much of the apparent inefficiency of the WD/jobber operation is attributable to a learning curve as the WD adjusts to this new approach to marketing? How much of the sales increase is attributable to new store acquisitions? What is the impact of acquisition and start-up expenses? The answer to these important questions will become evident as the industry continues to evolve and future surveys measure the trends over time," Wegmann concluded. ■

WAREHOUSE DISTRIBUTION OPERATIONS



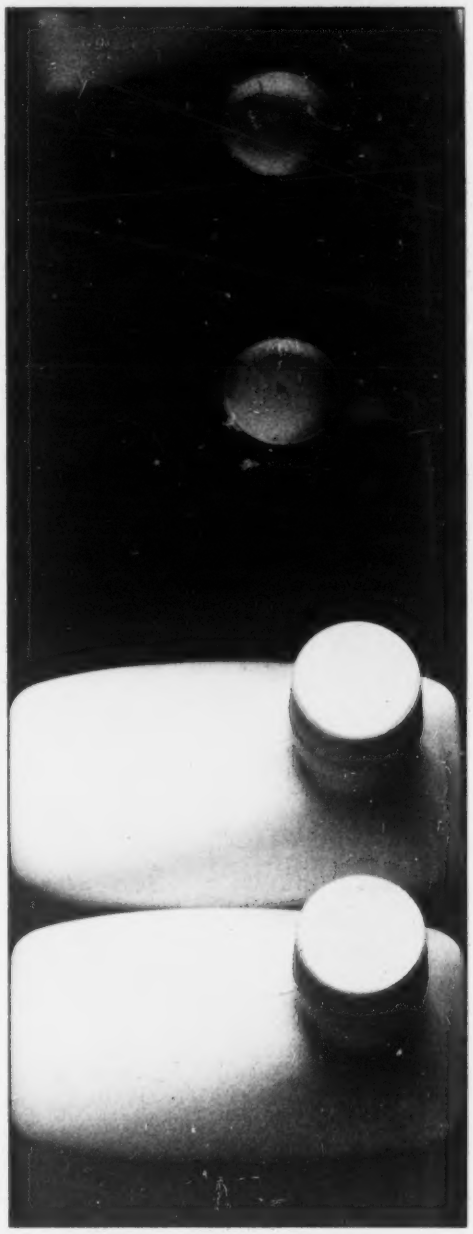
COMBINED WD-JOBBER OPERATIONS



The distribution of expenses changes dramatically for WDs with controlled distribution. The 11% gain in cost of sales is absorbed by increases in payroll and other expenses, resulting in lower pretax income.

(Circle 8 on Product Information Card)

FUNCTIONAL FLUIDS



More than just traffic builders, functional fluids are as vital to the store as they are to vehicles

by **John Wirebach,**
Senior News and Features Editor

Functional Fluids are just what the words say they are: fluids that perform a function. Without functional fluids, cars and light trucks would not run and stores would lose their best traffic builders. Here's a short look at the market for motor oil, transmission fluid, antifreeze/coolant and brake fluid.

Antifreeze

After some of the more exciting years we've seen in the antifreeze market in recent years, the 1992 season might almost be a bore. The last time we took a detailed look at the antifreeze market there was a severe shortage of glycol. Since nine pounds of glycol at 20 cents or so a pound go into every gallon of antifreeze you can see the importance of the supply and price of glycol. When glycol runs short, antifreeze runs short.

At that time, jobbers and small independent retailers were running into local discount stores and buying a few cases just to have some antifreeze on their floors. Even the bigger chains got edgy. The private label market just about dried up. Antifreeze suppliers talked seriously about $8-$9 antifreeze. Only about 161 million gallons were sold that season. That was the lowest gallonage total since the first oil embargo in 1974.

But that's all in the past. Glycol's plentiful, private labels are back, and the antifreeze industry is looking for a good year following one filled with warm weather, a soft economy and too much deferred maintenance.

"There are a lot of good reasons for optimism," Mark Haglund, vice president of marketing for the Auto Products Division of First Brands Inc. (Prestone brand), Danbury, CT said. "The total antifreeze/coolant market is like a sawtooth. Up and down. Last year it was 173 million gallons. It changes every other year. Based on history we should be back to 1990 numbers (192 million gallons). For 25 or 30 years, it's been true. The market doesn't stay down two years in a row."

THE THREE SEASONS OF CONSUMER ANTIFREEZE SALES

Almost half of all antifreeze/coolant sales to cosumers occur in a three month period from September through November as consumers stock up for cold weather.

Months	% Sold
September-November	48%
December-January	21%
February-August	31%

Source: First Brands

Statistics from the Chemical Specialty Manufacturers Association, Washington, DC, bear out Haglund's prediction:

- 1988: 216 million gallons
- 1989: 161 million gallons
- 1990: 192 million gallons
- 1991: 173 million gallons

"I have a few reasons of my own," Haglund said. "The main one is the economy. It's a big purchase. Ten bucks plus whatever it costs to flush and fill. It's something you can easily put off for another year. The reason to change antifreeze is to avoid rust and corrosion. The freezing protection will still be there. Incidentally that's our new commercial focus. The point of difference between Prestone and the others: the additive and inhibitor package. We think it's a better package."

Tom Neidhart, business manager, Auto Products, for BASF (Zerex brand), Parsippany, NY, said, "The signs are good: more normal weather, a lot of deferred maintenance, prices are lower, rebates are back. All the factors should contribute to a good year. We never have two soft years in a row."

Neidhart feels the fall of 1992 (about half of all antifreeze is sold between September and November) should be a bargain for consumers. "Consumers should be able to buy in for slightly under $2.00 with rebates. We see a $3.49 ad price and $1.50 rebate. That's a best case strategy. It may get down to $3.49 or $1.99 to $2.49 after the rebate."

At Old World Automotive (Peak brand), Northbrook, IL, Mark Kraus, sales coordination manager, said his company had helped retailers clean shelves in preparation for the 1992 buying season.

"During the usual off season we had a good opportunity to empty out the shelves," Kraus said. "We gave stores an easy-to-advertise sale at 99 cents a gallon. The usual rebate is $1.49. Last spring we ran a double rebate: $3.00. We captured a large portion of the ads. Advertise antifreeze at $3.99 and 99 cents after the rebate. All our current customers were able to clean out their carry over. Now the stores have cleaned out their warehouses, purchases should be up for 1992. We're tracking 30% over last year."

The major change in the market will probably be the return of ample supplies of private label antifreeze. The return to private labels pleases Old World, Kraus said. "Old World is the largest private label producer in the country. Peak is just a portion of our business. Our business is antifreeze. Others look at getting new brand sales. They want to sell their brand. We say, want to buy a brand, or private label? We just want to sell gallons. We have committed ourselves: one gallon is just as important as another. If supplies dry up again as they have in the past, we don't give Peak any more consideration than private labels. We're a better supplier in that way and we've gained a few customers from that. In fact, this year we're getting customers we've never had before. Some consumers are looking for a premium brand and some are looking for a price product. With a private label retailers can corner the price market and the premium market. The brand may be sold down the street, but if you have your own label you don't have to match that label's prices. It's a real benefit for the retailer. How does Peak do? We have several customers that carry Peak as their premium brand and a private label."

Prestone has been the brand leader for a long time, a fact conceded by everybody in the market. As a competitor noted, "They have the strength of wide distribution, the marketing tools and the name in the market." And, just to make sure people remember Prestone, First

Brands also does almost half the total antifreeze advertising.

"The biggest coup for us is that private labels are back," Haglund said. "There's a surplus of glycol and this year we're running private labels again. No major retailer will be without a private label. Kmart and Wal-Mart will be back big time. The other majors (brands) did well and took advantage of private labels going out. They picked up a lot of that business. Now that private labels are back, they'll have to fight to maintain their gains."

One company that profited from the lack of private brand competition was Zerex. The folks at Zerex are pleased by their substantial gains although Neidhart conceded it would be different in 1992. "We've done well since we took over Zerex in 1986. There's no question private labels will hurt us as a lower price alternative. But people are more comfortable with national brands. It's certainly not going to help us; but it's certainly not going to help Peak or Texaco either. Prestone gets a higher price, but we get a premium price to Peak and Texaco."

A new facet of the antifreeze market is the move toward environmental matters. For example, several companies, such as Arco Chemical, Newtown Square, PA, now manufacture antifreeze made with propylene glycol instead of ethylene glycol. The environmental feature is that propylene glycol is non-toxic. However, propylene glycol has not yet found wide distribution. Haglund noted, "It has no impact yet. It's more expensive. The selling point is it's less toxic. But what you're dealing with is what comes out of the car. And that has metals in it from the car radiator and that makes the waste a problem. As antifreeze, both kinds are biodegradable."

While none of the majors expected propylene glycol-based antifreeze to affect the market, they all expected some kind of recycling to hit the market in a big way. Haglund, for example, said "First Brands feels recycling glycol is the wave of the future. There's lots of stuff just beginning in education to collect used antifreeze." In fact, this year First Brands started Prestone Technology Systems to market on-site antifreeze recycling equipment to service facilities. Rick Bowen, president, said as much as 200 million gallons could be collected eventually. Prestone is also examining a system of five-gallon plastic containers to collect DIY antifreeze. Two counties in California, the state of Rhode Island, and Newtown, CT, are test sites for the DIY program.

"There's no question that the issue has got momentum," Neidhart said. "There are a whole bunch of machines out there being tested. Some do better than others; it depends on the contamination. If they can capture the glycol it can be fairly good. Right now it's still too costly, but in the long run recycling will be a factor."

However, one company is already on the market with antifreeze/coolant made from recycled glycol. That company is Regenex, Chicago, which has been selling bulk recycled antifreeze for almost five years, but now markets a branded product. "This is our first year," Nancy Myerson said. "But next year we hope to be in the 10 million gallon range. We're also coming in late this year; we didn't hire our first reps until May."

Myerson emphasized the product was not made from used antifreeze but from recycled glycol. "It does take an explanation. It's made from scrap plastics and other glycol-based products. That's refined into a gray glop and pure ethylene glycol is distilled from this glop. Then we add an additive package and we have antifreeze."

Myerson said their studies have shown that at least 50% of consumers would rather buy environmentally safe products if they were available and the price was not prohibitive. Regenex is available and the price will be competitive, she added.

"We're getting interest because we're different. We're an alternative. Carrying environmental products makes sense. The price point on Regenex is $3.99 and we'll rebate $1.50. We're not pleased about the rebate but we have to be competitive. We don't have any stock sitting on the shelves. I've never been a cold weather person, but I've never wanted a cold winter so badly."

Motor Oil

The motor oil market is really two separate markets, one for DIYers and oil sold over the counter, and two, an installed market, where people pay others to install the oil. Between the two segments more than 2.7 billion quarts of oil are sold annually. Basically, the same suppliers sell in both market. Of the two, the DIY segment is the largest. The suppliers we spoke with agreed that it was around 60% of the market, slightly less than in the past, but still the larger segment.

OIL SALES

The sales of motor oil weights have changed in the past five years. As our chart shows, 10/30 weight oil has gone from about a quarter to over a third of the market, while 10/40 oil has dropped from more than half to about a third. Despite the fact that more than half the OE factory fill is 5/30 weight, it still accounts for little replacement sales.

Oil weight	Market Share % 1985	Market Share % 1990
10/30	26%	35%
10/40	54%	23%
5/30	2%	6%
All other	18%	25%

Source: National Petroleum Refiners Association

"It's still about 60%," said Bill LaFave, director of sales promotion and national accounts coordinator at Quaker State Corp., Oil City, PA. "That's down from 67-68% at one time. The trend is slowly downward and that's continuing. But over the counter is still the lion's share of the business."

The DIY segment is helped by local service station owners buying oil on specials at their local auto parts store. While prices have drifted up in the last year, it's still quite easy to find oil at 99 cents a quart on special and that's way below what oil jobbers sell gas stations. "The price does bring in wholesale customers," LaFave said. "But that's not the retailer's goal. Retailers use oil to sell related items."

This is the way we see the over-the-counter market:

- Mass merchants 52%
- Auto parts stores 33%
- Service stations 4%
- Warehouse clubs 4%
- Grocery stores 3%
- All others 4%

Aside from the sudden influx of sales at warehouse clubs, the retail market has been basically unchanged for some time now. Mass merchants (mainly discount stores such as Kmart and Wal-Mart) and the auto parts chains use oil as a loss leader to get people in the stores. The two outlets dominate the market and there's no reason to see any change.

WHAT A DIFFERENCE A DECADE MAKES

As the 1980s began, quick lubes were a new concept. By 1992, quick lubes sold close to a third of the installed oil market. The big losers in market share were service stations, which fell from about a third of the market to less than a fifth of the market.

Installed Oil Changes	1992 %	1980 %
Quick Lubes	30-35	0- 5
New Car Dealers	20-25	25-30
Service Stations	15-20	35-40
Repair Garages	10-15	5-10
Mass Merchants	5-10	5-10
Tire Stores	5-10	5-10
All Others	5-10	5-10

Source: AM estimates

"Jobbers are getting a little better at selling oil," LaFave said. "They're doing some things like retailers. There's no great price disparity at some of the programmed stores. But the traditional jobber still does not rely on large footprints in the store."

Just as the discounters and the retail chains dominate the DIY segment, half a dozen suppliers dominate the retail market. These retail oriented brands have been selling in stores since the 1930s:

- Castrol Inc., Wayne, NJ
- Havoline (Texaco Lubricants Co.), Houston
- Kendall Refining Co., Bradford, PA
- Pennzoil Products, Houston
- Quaker State, Oil City, PA
- Valvoline Oil Co, Lexington, KY.

Most began selling retail because they lacked the large number of service station outlets that dominated replacement oil sales until the 1950s.

"The top five are selling 75% of the market," said Jan Horsfall, national brand manager for Valvoline. "With no one company selling 20% of the market, it doesn't take a mathematician to see that the market is a dogfight."

A dogfight is a good term for the market; and, it became even more bitter in the 1980s with the addition of the major "integrated" oil brands to the market. Integrated, in this sense, means companies that explore, drill, refine and market motor oil.

Previously, the integrated companies sold almost exclusively through their own gas stations. But the oil shortages of the 1970s decimated the ranks of the full service gas stations and left the integrated companies with nowhere to sell. Perhaps as many as a 100,000 service stations closed in the 1970s. Service stations have fallen from about a third of the installed market in 1980 to about a sixth of the market in 1992.

This is a good estimate of the way the installed market breaks down:

- Quick lubes 34%
- New car dealers 23%
- Service stations 16%

- Repair shops 11%
- Mass merchants 7%
- Tire stores 6%
- All others 3%

As we've noted several times in the past few years, the quick lubes are now the dominant player in the installed market. That's not bad for an industry that did not even exist ten years ago. The first quick lubes opened in the early 1980s (Pennzoil claims credit for the first operations) and the market matured quickly. Interestingly enough, the retail oil suppliers were quick to jump on the quick lube bandwagon. Currently, Pennzoil (about 1,100 Jiffy Lubes), Quaker State (about 450 Minit Lubes) and Valvoline Instant Oil Change (more than 300) own the three largest quick lube operations.

The growth of quick lubes and the continued decline of full service stations left the integrated oil companies in the position of being all dressed up to dance in the desert. "So, a few years ago we put our briefcases and a pile of order blanks in the car and went out to sell the retail oil market," the national accounts manager for one of the integrated companies told us. "We presented retailers with the same kind of deal we gave our service station dealers. The retailers said no way. So we put our briefcases back in the car, packed up the order blanks, came back to the office and looked at the numbers again."

The integrated companies returned with lots of deals. Thus a highly competitive market to begin with became an even more competitive market when fueled by the deep pockets of big oil companies. While the companies will quickly concede that they haven't been wildly successful in selling the retail markets, a few have made some solid inroads. Right now Exxon Co., Houston; Mobil Oil, Fairfax, VA; Amoco Oil Co., Chicago; Citgo Petroleum, Tulsa, OK, Sun Refining and Marketing, Philadelphia; Phillips 66 Co., Bartlesville, OK; and Shell Oil Co., Houston, are all common sights on retail shelves.

WHAT'S IN A BARREL OF OIL?

An average 42-gallon barrel of crude oil yields only 2.5 quarts of lube oil when it's refined. So, it takes two barrels of crude oil to refine enough motor oil for the average DIYer to change his oil. You might pass that figure on to the next DIYer who complains about paying .99-cents for a quart of oil. Here's how the rest of the barrel breaks down:

Almost 20 gallons of gasoline
12 gallons of heating oil
Almost four gallons of jet fuel
Almost four gallons of other petroleum products (road asphalt, coke, kerosene, etc.)
2.5 quarts of lube oil
Two gallons are lost in processing

Source: American Petroleum Institute, Washington, DC

The business manager of one integrated company conceded that his company had only a small share but said, "We have a marketing plan in place and we've held to it. We're happy with our adherence to it." The road to higher sales takes patience and consistency.

Because of the intense competition and because retailers see oil as a loss leader, about the only people who profit from retail oil sales are the consumers. "In 1980, the hot sale on oil was 99 cents," LaFave said. "Ten years later, it's still 99 cents. It's not good for profitability and the industry suffered. There's some evidence that retailers are abandoning the idea that people won't pay over a dollar a quart. Now, we're seeing more $1.39 and $1.49 everyday prices and a lot of sales at $1.09 and $1.19."

Still, oil will go out in advertisements at less than a dollar thanks to the rebates that continue. "Everyone is looking for a golden ring that works," John Freeny, vice president of sales at Kendall said. "We've tried a lot of things but we find rebates work. The retailer can advertise a price on sale of $1.09 less a rebate of 25 cents. Or, 84 cents a quart. Now you have an attractive price point."

Still, as Horsfall noted, "We're trying to put profitability back in the market. For so many years oil has been used as a loss leader; now we're hearing more and more about profits from oil."

Oil retailers and suppliers alike dodged a bullet this year when the Environmental Protection Agency (EPA) finally ruled that used oil destined for recycling is not a hazardous waste. Although the ruling displeased environmental groups, it's now in place.

"Used oil is a major problem," Horsfall said. "We're doing something about waste oil. Valvoline owns First Recovery, a company that picks up used oil at retail and installer locations. Right now, we have over 2,000 locations. I'm amazed at its impact on brand sales. We're wearing a white hat."

Virtually all the oil suppliers are backing and supporting programs to help their retailers and installers recycle waste oil; and most are using at least partially recycled plastic cans. In fact, Quaker State changed from a white to a green can in order to use more recycled plastic. "It also gives us good visual presence," LaFave said. "Our market research showed that it stands out on the shelf."

With all the recycling of used oil, it's natural that sales of re-refined used oil will follow. A *barrel* of crude oil yields 2.5 quarts of motor oil; on the other hand, one *gallon* of used oil yields 2.5 quarts of re-refined oil. Today, there are re-refined oils sold by Wal-Mart (a private label), Evergreen, Newark, CA, and Lyondell Lubricants, Houston (a subsidiary of Arco). While they are too new to the market and have little impact today, supporters expect to have high visibility and as much as 10-20% of the market in the later 1990s.

New in the market this year was a sudden spurt of synthetic oils. Almost every major supplier suddenly offered its customers a synthetic. "There has been more activity over the past two years. Synthetics are only about one percent of the market; nobody is setting the world on fire with them. But the opportunity is there for a profit. The margins are not beaten down. They're aimed at upscale buyers. Synthetics are technically charismatic."

Technically charismatic is an excellent description. Synthetics work well in small bore, high rpm engines. The product is aimed at a small niche of consumers who really want to take care of their cars. Horsfall said, "We see the industry positioning itself for synthetics. There's a push for the category. We're reminding our customers that although the U.S. market is 99% conventional mineral oil, in Europe the market is 15% synthetics."

In addition, there is a feeling that synthetics will be needed further down the road to meet American Petroleum Institute (API) specifications. The specifications are set by API and the Motor Vehicle Manufacturers Association to meet standards for new engines. By the end of 1993, API SH will replace SG as the specification for motor oil. Suppliers believe that mineral oil will meet SH requirements, but perhaps an oil at least partially synthetic will be needed to meet SI when it arrives.

Brake And Transmission Fluids

The market for brake fluids is often overlooked. And several of the half dozen suppliers we spoke with suggested why. "It's a terrible market. You just have to have brake fluid to serve the customer. So many people deal in brake fluid just to get the other chemical business. Between the bottle, fluid and package, the costs are above the selling price. We're giving away labor, freight, handling and marketing costs."

This was the crux of the matter, according to many chemical companies: too many companies, a "pennies" type of market, and too many competitors.

John Westley, marketing manager at IG-LO/Pyroil, Lexington, KY (a division of Valvoline), put the market at roughly 17 million gallons. "Of that, maybe 20-25% is exported, two million goes to the OEs, which means the market's about 10-12 million gallons." Westley said it was a very good market.

First Brands' Haglund said, "It's the same business year after year: low interest but a nice volume."

About the only real change is the switch to smaller two-three ounce (enough for a topping off) bottles for DIY and quick lube sales. Since brake fluid sucks up water, a pint bottle stored in the shed for a year could easily be useless.

About 99% of brake fluid sales are DOT-3 although several OEs now call for DOT-4 in new cars. If there's any growth it will be in DOT-4. DOT-5 fluid (silicon) is basically dead in the water. "It was going to be a big deal when the OEs started to switch to disc brakes," said Gerry Smith, director of marketing at Gold Eagle, Chicago. "But when they found vented rotors, it wasn't needed."

However, Rick Kroeger, product manager for Wagner Brakes, Chesterfield, MO, said, "The next thing may be a DOT-5.1. An glycol-based DOT-5 with the same high boiling points. They use some in Europe now."

About 85% of new cars come with automatic transmissions so you might expect the market for automatic transmission fluid (ATF) to be fairly large. It is: According to the National Petroleum Refiners Association, 51.9 million gallons were sold at retail in 1990 (1991 statistics are not yet available). However, the gallonage has been steadily declining. OE strategies call for 100,000 mile drain intervals and the quality of transmissions has improved.

As Gold Eagle's Smith pointed out, "Not many DIYers tackle transmissions. So we aim at the topping off segment. Pint bottles with taper funnels. The dipstick is usually graduated in pint marks. It's basically a commodity. At $1.79 or so who can spend the money to differentiate their product? You can't justify the money."

Dexron (GM cars and trucks), Mercon (Ford cars and trucks) and type F (older Fords) ATFs make up more than 80% of sales. However, this year, GM is moving to a Dexron 2E after January 1, and Chrysler specs call for Mopar ATF-Plus, which no one sells on the aftermarket at this time. ■

CONSUMER AUTOMOTIVE REPAIR STUDY

Charging System Parts

Every year for the past several years we have produced our annual Consumer Automotive Repair Study (CARS for short), we have much more information generated than we can actually publish. This year, to get more of it into the hands of those who can benefit from it, we're adding product categories we studied in different issues throughout the year.

This issue stresses automotive mechanical component categories, ones which are more apt to be installed by a dedicated DIYer.

As before, the basic study was done of everyone who said, over the phone, that they were responsible for maintaining a vehicle in their household—in all, some 1,179 individuals. We asked questions about their buying and installation habits with different vehicle products, questions that usually required a "top-of-mind" answer.

Among the questions asked is how much of a DIYer the respondent considered themselves. We classified them as "non-DIYers," who did nothing to a vehicle, "light DIYers" who wax or washed their cars or added fluids, "medium DIYers" who did simple electrical or mechanical jobs or changed their oil, or "dedicated" DIYers who did jobs like installing mufflers or shocks.

We defined starting and charging system parts as parts such as alternators or starting motors when we asked vehicle maintainers if they'd bought such parts during the past year. These are not parts replaced on a whim; they're not "high performance" parts, nor do they change the appearance of a vehicle. They're replaced only when needed, and as such one might expect to see them not replaced at nearly the rate of product categories such as chemicals or even windshield wipers.

However, in all, 17% of all vehicle maintainers said they'd replaced some starting and charging system part during the previous year.

The more dedicated a DIYer the vehicle maintainer is definitely affects how apt he or she is to replace a part in this system—even if the DIYer doesn't replace it himself. In all, only 9% of non-DIYers replaced starting and charging system parts. This number grows to 14% among light DIYers, to 23% among medium DIYers, and reaches 27% among dedicated DIYers. ■

WHERE MAINTAINERS BOUGHT STARTING AND CHARGING SYSTEM PARTS

We asked vehicle maintainers where they bought parts for their starting and charging systems. The more a maintainer works on his or her own vehicle, the more apt he or she is to buy parts for starting and charging system repairs at an auto parts store.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Auto Parts Store	8%	27%	51%	74%
Car Dealership	31	16	9	4
Independent Garage	20	19	12	7
Service Station	17	8	8	2
Specialty Installer	0	16	6	9

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHO INSTALLS STARTING AND CHARGING SYSTEM PARTS

We asked vehicle maintainers who installed the starting and charging system parts they bought.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
DIYer (self or other)	10%	36%	54%	86%
Car Dealership	31	14	8	0
Independent Garage	24	19	18	3
Service Station	22	6	7	2
Specialty Installer	0	8	5	4
Auto Store With Service	4	12	10	5

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

HOW MANY MAINTAINERS SPECIFY STARTING PARTS BY BRAND

We asked vehicle maintainers if they asked for a specific brand for starting and charging system parts and, if so, what it was.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Specified A Brand	9%	13%	15%	32%
Didn't Specify A Brand	91	87	85	68

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY MAINTAINERS DIDN'T SPECIFY A STARTING AND CHARGING PART BRAND

We asked vehicle maintainers who didn't specify a starting and charging system part brand why they didn't.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Mechanic Installed It	24%	36%	23%	0%
Don't Know Brands	49	29	31	8
No Difference In Brands	5	9	12	27
Don't Know Why	0	3	0	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHAT TYPE OF VEHICLE MAINTAINERS BOUGHT STARTING, CHARGING PARTS FOR

We asked vehicle maintainers what type of vehicle it was for which they bought starting and charging system parts.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Car	86%	79%	61%	65%
Light Duty Truck	0	11	22	17
Van	5	6	8	5
Utility Vehicle	5	1	6	2

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY DIYERS INSTALL THEIR OWN STARTING AND CHARGING SYSTEM PARTS

We asked those vehicle maintainers who installed their own starting and charging system parts why they did so.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
To Save Money	0%	42%	49%	50%
Can Do It Myself	0	24	31	29
See It's Done Right	0	0	4	20
Easy To Do	0	34	39	18
Needed It Done	0	17	14	17

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN STARTING, CHARGING PARTS

We asked vehicle maintainers who didn't install their own starting and charging system parts why they chose not to.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Don't Know How To	75%	73%	51%	22%
To Busy To Do	12	21	18	24
Don't Have Proper Tools	17	7	16	22
Don't Like Doing It	9	4	4	0
Elderly/Disabled	5	2	9	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

CONSUMER AUTOMOTIVE REPAIR STUDY

Exhaust System Parts

When we asked vehicle maintainers if they'd replaced exhaust system parts, we defined these parts as, for example, mufflers, catalytic converters, or pipes. In all, 23% said they'd replaced such parts during the previous year.

Although non-DIYers were considerably less apt to replace such parts than DIYers, there was not a lot of a difference between DIYers according to abilities as to how many bought such parts. In all, 22% of light DIYers, 29% of medium DIYers and 28% of dedicated DIYers said they'd bought exhaust system parts.

There is a considerable difference, however, when it comes to where they buy these parts. Over half of the maintainers who were medium DIYers or less went to specialty installers—folks like Midas Mufflers, whom "nobody beats." Indeed, almost half of dedicated DIYers bought their parts at the same place. And, indeed, these outlets have a giant share of the installation business, as well. However, almost a third non-DIYers went back to their new car dealer for exhaust system parts, while relatively few DIYers used this source.

These specialty installers, who are relatively new to the field, apparently have taken the exhaust system parts and installation sales from gas stations more than any other outlet. Where thirty years ago they may have had the bulk of this business, now less than 10% of any type of vehicle maintainer goes back to a service station to get exhaust system parts. Independent garages don't have that much better market share.

Since so many maintainers went to specialty installers, it's not surprising that relatively few asked for a specific brand name. When one goes to a specialty installer or a car dealer, one takes the house brand. The percentage of non-DIYers who asked for a specific brand was almost the same as the percentage of dedicated DIYers who, presumably, pay more attention to aftermarket brands than non-DIYers.

When we asked those who had installed their own exhaust system parts why they'd done the job, most had two answers, "Oh, I can do that, and it's cheaper to do it myself."

Over half of those DIYers who didn't replace their own exhaust system parts said they didn't have the right tools for the job. Otherwise, around the same percentage of medium and dedicated DIYers were too busy or didn't like replacing these parts. ■

WHERE MAINTAINERS BOUGHT EXHAUST SYSTEM PARTS

We asked vehicle maintainers where they bought parts for their exhaust systems. The more a maintainer works on his or her own vehicle, the more apt he or she is to buy parts for exhaust system repairs at an auto parts store.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Auto Parts Store	0%	6%	12%	18%
Car Dealership	30	11	8	16
Independent Garage	6	13	21	0
Service Station	0	5	6	4
Specialty Installer	51	61	51	48

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHO INSTALLS EXHAUST SYSTEM PARTS

We asked vehicle maintainers who installed the exhaust system parts they bought.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
DIYer (self or other)	0%	10%	15%	39%
Car Dealership	30	9	6	10
Independent Garage	12	12	23	7
Service Station	0	5	7	4
Specialty Installer	45	57	42	44
Auto Store With Service	6	4	9	4

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

HOW MANY MAINTAINERS SPECIFY EXHAUST PARTS BY BRAND NAME

We asked vehicle maintainers if they asked for a specific brand for exhaust system parts and, if so, what it was.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Specified A Brand	13%	14%	9%	16%
Didn't Specify A Brand	87	86	91	84

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY MAINTAINERS DIDN'T SPECIFY AN EXHAUST PART BRAND

We asked vehicle maintainers who didn't specify an exhaust system part brand why they didn't.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Mechanic Installed It	44%	29%	38%	25%
Don't Know Brands	42	29	26	16
No Difference In Brands	13	11	9	9
Don't Know Why	0	3	4	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHAT TYPE OF VEHICLE MAINTAINERS BOUGHT EXHAUST SYSTEM PARTS FOR

We asked vehicle maintainers what type of vehicle it was for which they bought exhaust system parts.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Car	100%	88%	73%	75%
Light Duty Truck	0	8	14	16
Van	0	0	8	9
Utility Vehicle	0	2	2	0

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY DIYERS INSTALL THEIR OWN EXHAUST SYSTEM PARTS

We asked those vehicle maintainers who installed their own exhaust system parts why they did so.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
To Save Money	0%	100%	53%	55%
Can Do It Myself	0	100	53	11
See It's Done Right	0	0	0	23
Easy To Do	0	0	0	11
Needed It Done	0	0	47	21

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN EXHAUST SYSTEM PARTS

We asked vehicle maintainers who didn't install their own exhaust system parts why they chose not to.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Don't Know How To	86%	62%	29%	0%
To Busy To Do	0	6	21	20
Don't Have Proper Tools	13	22	50	51
Don't Like Doing It	19	9	13	14
Car Being Serviced	0	4	0	5

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

CONSUMER AUTOMOTIVE REPAIR STUDY

Engine System Parts

Engine system parts come in several varieties, as well as products. They can be those things that are vital just to keep a vehicle on the road. Or they can be things like performance cams or special pistons that turn an ordinary vehicle into a street rod or racer. As such, one might expect that a higher percentage of vehicle maintainers buys engine parts than other basic categories, and that is the case. In all, a quarter of all vehicle maintainers we questioned said they'd bought some engine system part over the previous year. Of those, two thirds were male.

Of these, again as may be expected, dedicated DIYers tended to buy engine system parts at higher rates than other types of DIYers. In all, 39%—well over a third—of dedicated DIYers bought engine system parts. Then 30% of medium DIYers, 22% of light DIYers, and 14% of non-DIYers bought engine system parts.

The more vehicles a maintainer has, the more apt he or she is to buy engine system parts, too. In all, 41% of maintainers with three or more vehicle bought these parts. Only 29% of those with two vehicles and 17% of those with one vehicle bought such parts.

Not only do those dedicated DIYers buy engine system parts more often than other types of DIYers, they're more apt to buy them at auto parts stores and install them themselves than other DIYers. And, the dedicated DIYers who buy engine system parts are considerably more brand conscious in their selection than other DIYers are. They are a prime buying group for aftermarket retailers.

On the other hand, the jobber who doesn't sell retail at all, will sell engine system parts to independent garages, service stations, specialty installers, and even car dealers who do the bulk of the sales of engine system parts sales to non-DIYers. All told, this group of aftermarket outlets sold engine system parts to 87% of all non-DIYers who bought engine system parts. And, for the most part, this group of outlets also installed the parts for these non-DIYers.

Auto stores which have service bays also have a small but real share of the engine parts installation market, too, to all levels of DIYers. The interesting thing is that exactly the same percentage of non-DIYers and dedicated DIYers who had engine system parts professionally installed went to auto parts stores for the job. ■

WHERE MAINTAINERS BOUGHT ENGINE SYSTEM PARTS

We asked vehicle maintainers where they bought parts for their engine systems. The more a maintainer works on his or her own vehicle, the more apt he or she is to buy parts for engine system repairs at an auto parts store.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Auto Parts Store	5%	26%	40%	60%
Car Dealership	37	25	25	16
Independent Garage	30	26	17	9
Service Station	20	8	1	1
Specialty Installer	6	13	10	6

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHO INSTALLS ENGINE SYSTEM PARTS

We asked vehicle maintainers who installed the engine system parts they bought.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
DIYer (self or other)	2%	15%	25%	64%
Car Dealership	37	25	22	19
Independent Garage	31	31	28	13
Service Station	13	10	3	5
Specialty Installer	10	11	10	2
Auto Store With Service	5	7	13	5

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

HOW MANY MAINTAINERS SPECIFY ENGINE PARTS BY BRAND NAME

We asked vehicle maintainers if they asked for a specific brand for engine system parts and, if so, what it was.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Specified A Brand	8%	17%	20%	39%
Didn't Specify A Brand	92	83	80	61

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY MAINTAINERS DIDN'T SPECIFY AN ENGINE PART BRAND

We asked vehicle maintainers who didn't specify an engine system part brand why they didn't.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Mechanic Installed It	40%	37%	53%	21%
Don't Know Brands	30	24	13	12
No Difference In Brands	3	4	7	7
Don't Know Why	4	3	1	2

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHAT TYPE OF VEHICLE MAINTAINERS BOUGHT ENGINE SYSTEM PARTS FOR

We asked vehicle maintainers what type of vehicle it was for which they bought engine system parts.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Car	92%	79%	70%	65%
Light Duty Truck	6	10	18	18
Van	0	5	7	3
Utility Vehicle	0	3	2	3

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY DIYERS INSTALL THEIR OWN ENGINE SYSTEM PARTS

We asked those vehicle maintainers who installed their own engine system parts why they did so.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
To Save Money	0%	55%	80%	57%
Can Do It Myself	0	23	31	40
See It's Done Right	0	0	14	23
Easy To Do	0	0	6	2
To Save Time	0	23	0	4

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*

WHY SOME MAINTAINERS DON'T INSTALL THEIR OWN ENGINE SYSTEM PARTS

We asked vehicle maintainers who didn't install their own engine system parts why they chose not to.

Maintainers	Non-DIYer	Light DIYer	Medium DIYer	Dedicated DIYer
Don't Know How To	69%	73%	61%	29%
To Busy To Do	28	15	26	28
Don't Have Proper Tools	3	7	21	40
Don't Like Doing It	8	6	3	6
Elderly/Disabled	6	2	1	6

Source: 1992 *Automotive Marketing Consumer Automotive Repair Study*